

**Honorable Jachan Omach, Minister of State for Finance,
Chairman of the session**

**Development Partners,
Distinguished Participants and guests,**

Welcome remark.

It gives me great pleasure to welcome you all, from all across Africa, key procurement reformers and practitioners, together with development partners joining as a team, to discuss, and share experiences in the key area of capacity development in procurement. This goes much beyond the technical procurement and specialized training and workshops to Benchmarking or setting baseline indicators to performance measurement in procurement.

Strengthening Public Financial Management

Today, many developing countries are engaged in the process of strengthening their Public Financial Management as a central part of the development agenda. This is because countries have appreciated the link between the performance of the procurement function, including the financial management system on the one hand, and the achievement of socio economic objectives on the other. I am sure you'll agree with me that good public procurement is one of the key pillars of good governance.

Importance of Public Procurement

The importance of public procurement comes from the increased awareness of governments worldwide, that (i) the expenditure in public procurement represents about 10-20% of the GDP; and (ii) a considerable part of the country resources are channeled through the country procurement systems. Therefore making procurement efficient and ensuring value for money would translate into more schools and text books for children, more health care centers, and overall better public services for the people.

Aid Effectiveness and Harmonization

As partners in development, we have recognized that, ring fencing is not the best approach to safeguard the use of aid funds and achieving development goals. Therefore we have embraced harmonization to increase aid effectiveness. Emphasis must shift to developing country systems so that government's own resources can be expended using robust country procurement systems which other partner financed projects and programs would also gradually rely on. Cooperating partners also continue to work together to harmonize their procurement guidelines and bidding documents and I believe that this is seeing a reduction in transaction costs for a country and leveraging individual efforts for greater impact. We have seen Sector wide Approaches (SWAPs as they are called) work in some of the countries in Africa and also in other parts of the world. In some countries, such harmonized SWAPs in one sector (for example, health) could gradually be scaled up to cover other sectors and, over a period, to the entire country. The performance measurement, for example, could start from a sector ministry with a well defined and monitorable sector wide approach, which includes harmonized procurement systems.

The World Bank

The current World Bank policy is to rely on acceptable national procurement systems for procurements that are not ICB for goods and works, or selection of international consultants. We are therefore supporting public procurement reforms in about 40 African countries. We systematically update our procurement reform observatory which

was started by the Africa Regional Procurement about 3 years ago to monitor the actions being implemented based on mutually agreed procurement reform actions – e.g. passing of an acceptable procurement law and regulations, creating regulatory body etc. The observatory does not measure performance of the system – i.e. how well the law is being enforced? or if the laws and regulations been fully disseminated or how efficient and effective the regulatory agency is? At this workshop we will have the opportunity to learn and discuss the methodology for application of the indicators, both base-line and compliance/Performance.

Let me take this opportunity to say a few things on procurement reforms in our host country. In Uganda, procurement is an integral part of the country policy dialogue, the UJAS, and the PRSC agenda. The Bank provided extensive support in the preparation of the procurement law, establishment of the procurement regulatory, institutional, and operational framework. The Bank is also supporting the increased integration of the procurement activities in the PFM agenda, for example incorporation of the procurement plans in sector expenditure programs and raising the profile of procurement audits.

Challenges

I am aware of the challenges that Uganda still faces, like many other countries, in enforcing the procurement law, and monitoring of the impact of the procurement reforms. The 2004 Uganda CPAR also identified the lack of capacity for the performance of the procurement function.

Looking Ahead

However; Uganda has a capacity building strategy it is implementing, and has done a procurement capacity needs assessment for the local governments. Further, it has recently conducted a survey of corruption in procurement. Uganda has also embraced the new initiative by international donors to start putting in place a monitoring system for assessing progress and performance of the public procurement systems, and is a pilot country. I commend you for all these initiatives that put your country at the cutting edge of procurement reforms.

Conclusion

Let me conclude by emphasizing that strengthening public procurement will contribute to fighting corruption and improving governance, and has a significant potential to generate savings, to pay for the cost of the reform program and free up a significant amount of money for increased social spending required to reduce poverty and achieve the millennium development goals. Thus measuring progress and impact will demonstrate the benefits of good public procurement systems, as well as the costs of poor public procurement systems. This should in turn lead to continued support, and demand for improved procurement performance by the Government, civil society, media, and the private sector. This regional workshop is a tremendous opportunity for all participants from ---- countries to learn from each other's experiences and to start a mutually beneficial collaborative process to monitor progress and results. I once again welcome you all for this very important learning and knowledge sharing event.